AG Bruning: Settlement Returns $144K to Nebraska

LINCOLN - Attorney General Jon Bruning announced today Nebraska joined a global settlement with Endo Pharmaceuticals, a subsidiary of pharmaceutical product manufacturer Endo Health Solutions (Endo). Nebraska's portion of the settlement is $144,453. Funds will be used to reimburse the Nebraska Medicaid program and to cover legal fees.

"Nebraska taxpayers won't foot the bill for unlawfully-marketed pharmaceuticals," said Bruning. "This settlement helps to ensure our Medicaid funds are used for legitimate purposes."

The settlement resolves civil allegations of unlawful marketing practices to promote the drug Lidoderm for conditions not approved by the Food and Drug Administration (FDA). The FDA approved Lidoderm only for the treatment of pain associated with post-herpetic neuralgia, more commonly known as shingles.

Between 1999 and 2007, Endo knowingly promoted the sale and use of Lidoderm for use in connection with lower back and chronic pain, which were not medically-accepted indications covered by the state Medicaid program. Endo's alleged unlawful conduct caused false and/or fraudulent claims to be submitted to the Nebraska Medicaid program.

Under the terms of the civil settlement, Endo will pay a total of $172,916,967 to the states and federal governments and a $20,000,000 dollar criminal fine. Endo will also enter into a Deferred Prosecution Agreement with the Northern District of New York and a Corporate Integrity Agreement with the Department of Health and Human Service's Office of the Inspector General.

Medicaid Fraud and Patient Abuse Unit

Since its inception in 2004, the Attorney General's Office Medicaid Fraud Unit has recovered more than $77 million from violating service providers and drug companies.

When the Unit was established, Bruning promised the Legislature it would be self-funding in three years. The Unit's annual recoveries surpassed its operating budget starting in 2006, a year ahead of schedule.